

**Audit Committee
Meeting Minutes
December 14, 2005**

**Kiva Conference Room, First Floor, City Hall
3939 North Drinkwater Boulevard
Scottsdale, AZ 85251**

Members Present: Chairman Lane
Committee Member Ecton
Committee Member Littlefield

City Staff Present: Cheryl Barcala, City Auditor
Gail Crawford, Internal Auditor
Mike Worth, Audit Associate
Ramon Ramirez, Internal Auditor
Craig Clifford, Financial Services General Manager
Neal Shearer, Assistant City Manager
Lisa Blyler, Assistant to Mayor and Council
Judy Register, Citizen and Neighborhood Resources GM
Joanie Mead, Neighborhood Education Manager
Kathy O'Connor-Carlisle, Tourism Manager
Ed Gawf, Assistant City Manager
David Roderique, Economic Vitality General Manager
Ron McCullagh

Chairman Lane called the meeting to order at 3 p.m.

Roll was taken with all members in attendance.

Committee Member Littlefield moved to approve the minutes of the November 21, 2005, Audit Committee Meeting. Committee Member Ecton seconded the motion. The minutes were approved unanimously.

General Business:

Order of business was changed as follows:

Item 1a – Ramon Ramirez provided an overview of the Neighborhood Enhancement Partnership Audit. An exception was noted in which expenditures were paid from an inappropriate cost center without going through appropriate channels. This exception is in the process of being corrected. An ordinance will be brought forward to provide clarity and legal authority for the Commission. Committee Member Littlefield asked that the final report be sent to each Commission Member.

Item 2 – Discussion regarding the 2006 Audit Plan. Committee Member Littlefield made a motion to accept the 2006 Audit Plan striking #18, Succession Planning. Committee Member Ecton seconded the motion. The 2006 Audit Plan was approved unanimously with the removal of #18.

Item 1b – The Use of Additional Tax on Transient Lodging Audit reviewed the controls in place for the restricted tax. The auditor had two concerns during this audit. One is whether the Council is aware of the reserve set aside particularly when decisions are made to commit money from the General Fund that could possibly be funded from the Tourism Development Fund. The other concern was how the interest from the restricted funds is allocated.

Public Comments – None.

Committee Comments – None.

With no further business to discuss, Committee Member Littlefield made a motion to adjourn the public meeting of the Audit Committee. Committee Member Ecton seconded the motion and the motion carried. The Audit Committee Meeting was adjourned at 4:38 p.m.

Respectfully submitted,

Gail Crawford